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MADRAS, MONDAY, JUNE 22, 1920.

[Part II, 2 part.]

FINANCIAL DEPARTMENT.

NOTIFICATION.

COTTAIOMUND, the 21st June 1920.

No. 26.—The following notification of the Government of India is republished:—

No. 1591-F.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

ACCOUNTS AND FINANCE.

PUBLIC DEBT.

Seals, the 21st June 1920.

Subscriptions (a) for ten-year 6 per cent Bonds, 1920, free of income-tax, and (b) for the 5 per cent income-tax free Loan, 1945-45, will be received without limit of amount from 5th July to 14th August 1920 inclusive. Subscriptions to both issues in the form of War Bonds will however be received up to 15th October 1920.

1.—TEN YEAR SIX PER CENT BONDS, 1920, INCOME-TAX FREE.

2. **DATE OF REPAYMENT.**—The Government of India undertake to repay the Bonds at par on 15th August 1930.

3. **ISSUE PRICE.**—The issue price will be Rs. 100 for every Rs. 100 of the Bonds applied for.

4. **INTEREST.**—Payable half-yearly at the rate of 6 per cent per annum on 15th February and 15th August.

Advances interest from date of purchase to 15th August 1920 will be paid at the time of issue of annuities.

Interest on the Bonds will be income-tax free throughout their currency, but will be taken into account in determining the rate at which the tax will be levied on other income, and will be liable to super-tax.

5. **Issue of Ten Year Bonds in exchange for War Bonds.**—War Bonds 1920 and 1921 will be accepted at par as the equivalent of such in subscription to the Bonds up to 15th October 1928.

(a) (1) War Bonds, 1920, if tendered before 15th August 1922 will carry interest at 6 per cent from that date.

Advance interest at 5½ per cent to date of tender and at 6 per cent from that date to 15th August will be paid at the time of issue of securities.

(2) War Bonds, 1920, if tendered after 15th August 1920, will carry interest at 6 per cent from that date.

(b) War Bonds, 1921 will carry interest at 6 per cent from date of tender—

of tender and at 6 per cent from date of tender up to 14th August will be paid at the time of issue of securities.

(2) If tendered after 15th August 1921, advance interest at 5½ per cent up to date of tender and at 6 per cent up to 15th February 1922 will be paid at the time of issue of securities.

Interest will cease from 15th August 1920 on War Bonds, 1920, not tendered for subscription.

II.—5 PER CENT INCOME-TAX FREE LOAN.

Issued at a discount of 5 per cent and

Repayable at par not earlier than 1945 and not later than 1950.

6. **DATE OF REPAYMENT.**—If not previously repaid, the loan will be repaid at par on 15th October 1950, but the Government of India reserve to themselves the right to repay the loan or any part of it at par on or after 15th October 1945 on giving three calendar months' notice in the Gazette of India.

7. **INTEREST.**—The price of this year's loan will be Rs. 95 for every Rs. 100 of the loan applied for.

8. **INTEREST.**—Payable half-yearly at the rate of 5 per cent per annum on 15th April and 15th October.

Advance interest from date of purchase to 15th October will be paid at the time of issue of securities.

Interest on the loan will be income-tax free throughout its currency, but will be taken into account in determining the rate at which the tax will be levied on other income, and will be liable to taxation.

9. **ISSUE OF LOAN IN EXCHANGE FOR WAR BONDS.**—War Bonds, 1920, 1921, 1922 and 1923 will be accepted at par as the equivalent of such in subscription to the loan up to 15th October 1928, but the Government of India reserve to themselves the right to repay the loan or any part of it at par on or after 15th October 1945 on giving three calendar months' notice in the Gazette of India. War Bonds 1925 and 1926 will be accepted up to the same date at their nominal value increased by the present value of the premium payable on maturity; that is, they will be accepted as the equivalent of Rs. 102-4-6 and Rs. 103-4-6 respectively for every Rs. 100 nominal value of 1925 and 1926 Bonds presented.

Advance interest will be paid at the time of issue of securities from date of tender up to 15th October at 5 per cent, in addition to the half yearly interest due on 15th August in the case of 1921 and 1922 War Bonds and on 15th September in the case of 1921, 1923, 1925 and 1926 War Bonds.

Interest will cease from 15th August 1921 on War Bonds, 1920, not tendered for subscription.

10. **DETERMINATION OF PRICE.**—In accordance with the undertaking announced in the Government of India Finance Department Notification No. 1487-IV, dated 14th June 1919, a sum equal to 1½ per cent of the aggregate amount of the loan before the 1919 issue will be set aside, equally to form a fund to be used for the purchase and cancellation when the market value falls below the issue price. No future issue will be made at a price below 95 per cent, and should the issue price be higher, the fund will be employed for the purchase and cancellation of the loan when the market price falls below such higher issue price.

Supplementary Provisions.

Form of securities.

11. The loan and Bonds will be issued in the form of—

- (a) Stock, the purchase of which will be given Stock Certificates, or
- (b) Promissory Notes.

These will automatically, if desired, be exchanged, free of cost, for bearer bonds when the latter are available.

12. If no preference is stated by the purchaser, the securities will be issued in the form of Promissory Notes. A single Promissory Note will be issued for the amount required.

12. The loan and Bonds in the form of Provisionary Notes in denominations of Rs. 100 or multiples thereof may be purchased on payment of the amount due:-

(a) Without formal application, at the head office or any Indian branch of the Banks and Offices of Bengal, Bombay and Madras, and

(b) On application, at the office of the Controller of Currency, Calcutta, Deputy Controller of Currency, Bombay, or of the Assistant-General or Comptroller at other provincial capitals or at any Government treasury or sub-treasury.

Applications may be in the form attached hereto (Form A), or in any other form which states clearly the amount and description of the securities required, the full name and address of the purchaser, and the treasury at which he desires that interest shall be paid.

13. Stock may be purchased in denominations of Rs. 100 or multiples thereof on payment of the amount due, with the following conditions:-

(a) Office of the Controller of Currency, Calcutta, Deputy Controller of Currency, Bombay, or of the Assistant-General or Comptroller at other provincial capitals;

(b) The head office or any Indian branch of the Banks of Bengal, Bombay and Madras;

(c) Any Government treasury or sub-treasury.

Applications may be in the form attached hereto (Form A), or in any other form which states clearly the amount and description of securities required, the full name and address of the applicant, and the treasury at which he desires that interest shall be paid.

14. The loan and Bonds in the form of Stock or Provisionary Notes may be purchased in denominations of Rs. 100 or multiples thereof, subject to a maximum of Rs. 10,000, from 25th July to 15th August inclusive, on payment of the amount due on an application at any post office conducting savings bank business. Applications may be in the form attached hereto (Form B) or in any other form which states clearly the amount and description of securities required, the full name and address of the applicant, and the treasury at which he desires that interest shall be paid.

Securities purchased through the Post Office may, if so desired, be left in the custody of the Assistant-General, Posts and Telegraphs.

Such securities except War Bonds deposited with the Assistant-General, Posts and Telegraphs, will be returned as the equivalent of cash, from 25th July to 15th October inclusive, at the value prescribed in clauses 5 and 6 at any post office conducting savings bank business.

15. Payment may be made either in cash or by cheque. In the case of purchases of securities of Provisionary Bonds the cheques should be drawn to favour of the Secretary and Treasurer or Agent of the Provisionary Stock according as the purchase is made at the head office or at a branch of the Provisionary Bank. In the case of purchases made at a Government office or a Post Office, the cheques should be drawn to favour of the officer to whom the application is presented.

Payment may also be made by tender of War Bonds at the value prescribed in clauses 5 and 6. If the value of the War Bonds tendered does not correspond exactly to the price payable for the amount of loan and Bonds applied for, it will be at the option of the borrower either to pay in cash the further amount required to make up an exact multiple of Rs. 100 in the loaned Bonds or to have the balance amount refunded to him in cash.

Interest on the application between Rs. 100 of War Bonds lent in substitution to the 4 per cent loan. The loan of Rs. 100 lent will be Rs. 100 and of the 400 of the loan will be Rs. 400, while the War Bonds will be Rs. 100 and of the 400 of the loan will be Rs. 400. The applicant will be liable for the full value of the loan on payment of Rs. 100 and of the 400 of the loan will be Rs. 400 and of the 400 of the loan will be Rs. 400.

Applications for tender War Bonds in payment of loan should be made to the Government, at the rate of Provisionary Notes by tendering them with the words "Pay to the Governor (General or Council) as they appear, and (A) in the case of stock, by signing the form of transfer and on the back of the stock certificate before a witness. In the case of loan Bonds no writing is necessary.

Payment at head office of the Provisionary Bank may also be made in the form of Treasury Bills which will be accepted as such at their face value less a discount calculated at the rate of 4 per cent per annum on the unexpired portion of the term of the Bill.

Payment at post offices may also be made by the withdrawal of sums at the credit of the applicant in the Post Office savings banks.

16. Brokerage will be paid to recognised brokers and brokers on applications for the loan or Bonds bearing their stamp. The rate will be 1/16th per cent when payment is made in the form of Treasury Bills and 1/8th per cent in other cases.

By order of the Governor-General in Council,

M. M. S. GURRAY,
Secretary to the Government of India.

Form A.

Form for use when purchases are made at a Government office.

I hereby order ^{Rs.} _____
 the payment of ^{Rs.} _____ of the value of Rs. _____
 to be issued to _____ in the form of _____ interest to be payable at _____

Name _____
Address _____

Date _____
 When payment is made in whole or in part, in whole by cheque of War Bonds the entry should be "Cash
 Rs. _____ War Bonds of One hundred value of Rs. _____ equivalent to cash to be _____
 sent - If War Bonds are ordered, they should be ordered with the words "Pay to the Governor-General in
 Council" even when payment of the proceeds of the bonds is to be made at the Treasury. If the bonds are to be
 cashed, the words "Pay to the order of the Treasury" should be used. The bonds should be sent to the
 Cash Office at the Treasury.

Form B.

Form to be used when purchases are to be made at a post office.

Name _____
 I hereby order ^{Rs.} _____ of the value of Rs. _____
 to be issued to _____ in the form of _____
 to be issued to _____ in the form of _____
 to be issued to _____ in the form of _____

of the actual value of Rs. _____ equivalent to cash to be Rs. _____ (together with Rs. _____ as cash)
 on my (his) account of _____
 on payment of _____ percent Rs. _____ of the value of Rs. _____ to be issued in the form of _____
 Treasury Note _____ and to be _____
 Bank Certificate _____

2. Interest to be payable—

- (1) at the _____ Treasury,
- (2) into my S.R. Account No. _____ opened at the _____
 post office.
- (3) into a S.R. account to be opened in my name at the _____
 post office.

Signature _____
Name in full _____
Address _____

Date _____

Date of presentation _____ (To be filled in by Post Office).
 at the Post Office.

R.O. Stamp.

Register No. _____

(To be noted by the
 Treasury Cashier.)

(To be noted by the
 Head Postmaster.)

(By order of His Excellency the Governor in Council)

R. A. GRAHAM,
 Acting Chief Secretary